



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

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12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 15, 2008

Ms. Rebecca B. Robert
President
Chevron Pipe Line Co.
4800 Fournace Place
Bellaire, TX 77401-2324

CPF 5-2008-5037W

Dear Ms. Robert:

From May 6 to 8, 2008, a representative of the Washington Utilities and Transportation Commission (WUTC) inspected your refined product terminals in Pasco and Spokane, Washington, pursuant to Chapter 601 of 49 United States Code. The WUTC is an authorized Interstate Agent and representative for the Pipeline and Hazardous Materials Safety Administration (PHMSA).

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. **§195.432 Inspection of in-service breakout tanks.**

(b) Each operator shall inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tanks according to section 4 of API Standard 653. However, if structural conditions prevent access to the tank bottom, the bottom integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c) (3).

Inspections conducted in accordance with Section 4 of API Standard 653 found the inadequacies detailed below:

During the field inspection of the Pasco terminal, it was found that there were isolated areas of paint failure on the tank shell for breakout tanks T-11, T-13 and T-17. Also, during the field inspection of the Pasco terminal, it was found that the valve packing for 8" outgoing line valve, 8" barge line valve and 1" level alarm valve for tank T-16 showed signs of leaking. The manhole blind flange also showed signs of leaking. Similar leaks were also found in other tanks.

A number of tell-tale holes have steel plugs installed to seal the holes. Those steel plugs must be removed as per API 650 requirement.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Chevron Pipeline Company being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2008-5037W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 T. Finch (#120771)
WUTC – Mr. Dave Lykken